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REPORT
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WETLANDS LOAN ACT EXTENSION

SEPTEMBER 23 (legislative day, SEPTEMBER 15), 1986.—Ordered to be printed

Mr. CHAFEE, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany H.R. 4531]

The Committee on Environment and Public Works, to which was referred the Act (H.R. 4531) to extend the Wetlands Loan Act, and for other purposes, having considered the same, reports favorably thereon without amendment and reecommends that the Act do pass.

BACKGROUND AND STATEMENT OF THE NEED FOR LEGISLATION

H.R. 4531 extends the Wetlands Loan Act through fiscal year 1988; allows for additional appropriations to complete acquisition of Atchafalaya National Wildlife Refuge, Louisiana; and clarifies the language of the Migratory Bird Hunting and Conservation Stamp Act relative to the Balanced Budget and Emergency Deficit Control Act of 1985.

Extension of the Wetlands Loan Act under section 1 of H.R. 4531 will allow present Federal wetlands acquisition efforts to continue unimpeded. Continued purchase of these areas is essential because nearly 60 percent of the 215 million acres of wetlands that once existed in the coterminous United States already have been converted to upland areas. Estimates indicate that there was a net loss of nine million acres of wetlands between the mid-1950's and mid-1970's. The greatest losses during that period occurred in Louisiana, Mississippi, Arkansas, North Carolina, North Dakota, South Dakota, Nebraska, Florida, and Texas. Unfortunately, the rate of wetland loss does not appear to have diminished over the last decade. The U.S. Fish and Wildlife Service estimates that "we are continuing to lose wetlands at the annual pace of nearly one-half

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million acres, an area approximately 12 times the size of the District of Columbia."

The Nation's wetlands provide valuable goods and services for the American people. The Department of the Interior has stated that it is "well established that the loss of wetlands is one of the most serious environmental problems facing the Nation today, with far-reaching implications not only for fish and wildlife resources but also for outdoor recreation, business, agriculture, and flood control."

Recognition of the need for wetlands conservation first became widespread because of international concern for migratory birds which depend upon wetlands for survival. As far back as 1916, the United States and Great Britain (acting for Canada) negotiated the "Convention for the Protection of Migratory Birds." This Convention was the first of five treaties that established an international, cooperative effort to conserve migratory birds and their habitats. These treaties provide the foundation for national laws that grant the Federal Government the authority and responsibility to manage migratory birds and their habitats. In 1983, the U.S. Supreme Court confirmed that "[t]he protection of migratory birds has long been recognized as a national interest of very nearly the first magnitude. . . ." *North Dakota* v. *United States*, No. 81-773 (March 7, 1983).

A Federal role in the acquisition of wetland habitats for migratory birds has been recognized by Congress for many years. The enactment of the Migratory Bird Conservation Act in 1929 and the Migratory Bird Hunting and Conservation Stamp Act in 1934 established the foundation of our present wetlands acquisition program.

The Migratory Bird Conservation Act improved our ability to meet our treaty obligations and provided authority for the acquisition of migratory bird habitat. Funding for this acquisition is provided by section 4 of the Migratory Bird Hunting and Conservation Stamp Act in the form of a permanent appropriation from the Migratory Bird Conservation Fund, which contains monies generated from the sale of these so-called "Duck Stamps" and certain surplus Federal property. Areas acquired are incorporated into the National Wildlife Refuge System.

In 1959 the U.S. Fish and Wildlife Service and the State fish and wildlife agencies jointly determined that protection and management of 12.5 million acres of waterfowl habitat in the coterminous U.S. was necessary to maintain existing waterfowl populations. To achieve this goal, the Fish and Wildlife Service needed to acquire an additional 3.8 million acres and the States an additional 2.5 million acres.

In 1961 Congress passed the Wetlands Loan Act to accelerate Federal acquisition of migratory waterfowl habitat. This law, as amended, authorizes the appropriation of $200 million as a loan against future revenues from the sale of Duck Stamps. At the present cost of $7.50 per stamp, revenues are approximately $14.4 million per year. The authorization, of which about $190 million has been appropriated, expires on September 30, 1986, and, beginning with the first quarter after October 1, 1986, 75 percent of the revenues raised from the sale of Duck Stamp must be used to repay

the loan. Roughly $3.5 million would then remain available on an annual basis to purchase the necessary wetlands. Additional legislation, therefore, is needed in order to avoid a decrease of this magnitude in a vital wetlands acquisition program.

Using Duck Stamp funds and funds advanced against future stamp sales under the Wetlands Loan Act, the Fish and Wildlife Service purchased in fee title or easement approximately 1.9 million acres toward their goal from 1959 to 1977. Acquisition of the remaining 1.9 million wetland acres for conservation of migratory birds was to be completed during the 10-year period between fiscal year 1977 and fiscal year 1986. Over the past decade, however, the Fish and Wildlife Service will have acquired less than 25 percent of the 1.9 million acres of waterfowl habitat identified for Federal acquisition. Similarly the States have acquired only about 20 percent of the 2.5 million acres identified for State acquisition. Clearly, we need to do a better job of meeting our goals.

In May 1986 the U.S. and Canada signed the "North American Waterfowl Management Plan", which describes the actions and size of the task necessary to achieve waterfowl population goals that will satisfy public demand. The Plan calls for the acquisition, protection, or improvement of approximately 1.9 million acres in the U.S. and 3.7 million acres in Canada. Protection and improvement of more than 1 million acres of mallard and pintail breeding habitat is needed in the pothole area of the northcentral U.S., at an estimated cost of $237 million. In the lower Mississippi River-Gulf Coast region, the Plan estimates that 686,000 acres of wintering habitat are needed, and roughly 80,000 acres of additional wintering habitat are needed in the Central Valley of California. The cost to achieve these wintering habitat protection and improvement goals would probably exceed $217 million. Finally, black ducks need an additional 50,000 acres of migration and wintering habitat along the East Coast of the U.S. and 10,000 acres in the Great Lakes-St. Lawrence lowlands in the U.S., at an estimated cost of $23 million.

Thus, the total cost for habitat protection in the U.S. identified by the "North American Waterfowl Management Plan" approaches $500 million. The required waterfowl habitat protection and improvement in Canada may reach $1 billion. The cost of providing this habitat protection will have to be shared by governmental and nongovernmental entities in the U.S. and Canada. H.R. 4531 will allow 100 percent of the Duck Stamp receipts (approximately $14 million) to be used toward achievement of the goals of the Plan.

Section 2 of H.R. 4531 concerns the Atchafalaya National Wildlife Refuge, which was established by Public Law 98-548. That Act authorized the Secretary of the Interior to designate, with the concurrence of the State of Louisiana, lands and waters considered appropriate for a National Wildlife Refuge within the Atchafalaya Basin. The lands were to be purchased with funds provided under Public Law 98-396, a supplemental appropriations bill for fiscal year 1984.

Since enactment of the refuge authorization legislation, the U.S. Fish and Wildlife Service has been negotiating with landowners in the Atchafalaya Basin. The Service recently reached an agreement with a large landholding company which would provide for the ac-

quisition of over 15,000 acres of wildlife habitat within the Basin for approximately $12.4 million. Because some of the acreage to be purchased under this agreement falls outside the original area designated for acquisition and additional funds are required to purchase the acreage, legislation is needed to clarify and facilitate establishment of the Refuge.

Finally, passage of the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) raises potential technical concerns relating to the Migratory Bird Hunting and Conservation ("Duck") Stamp Act. Those concerns are addressed by section 3 of H.R. 4531.

H.R. 4531 was introduced on April 9, 1986. The legislation was reported by the House Committee on Merchant Marine and Fisheries on May 15, 1986. After being passed by the House of Representatives on September 9, 1986, the bill was referred to the Committee on Environment and Public Works. The Committee held no hearings on H.R. 4531 but did conduct a hearing on the issues addressed by this bill in conjunction with consideration of S. 740, the Emergency Wetlands Resources Act, on November 18, 1985, in Washington, D.C. As reported by the Committee on Environment and Public Works, sections 101(a) and 202 of S. 740 are similar to sections 1 and 3 of H.R. 4531.

SECTION-BY-SECTION ANALYSIS

Section 1—Extension of Wetlands Loan Act

Section 1 amends the Wetlands Loan Act to extend the availability of funds under it through fiscal year 1988; to change the date for the commencement of repayment of the loan from October 1, 1986, to October 1, 1988; and to eliminate the requirement that repayment of the loan begin in the fiscal year following the fiscal year in which the entire amount is appropriated. These amendments should become effective September 30, 1986, retroactively if need be, in order to avoid triggering the repayment schedule during the first week or two of October.

Section 2—Atchafalaya National Wildlife Refuge

Section 2 makes technical changes in the legislation authorizing the establishment of the Atchafalaya National Wildlife Refuge to facilitate acquisition of the Refuge. The changes allow the Fish and Wildlife Service to alter the proposed boundaries of the Refuge to incorporate those habitat areas that have been made available for acquisition and to use all funds provided under appropriations Acts for acquisition of the Refuge for that purpose.

Section 3—Duck Stamp Act

Section 3 of H.R. 4531 makes a technical change in the Migratory Bird Hunting and Conservation ("Duck") Stamp Act to specify that the U.S. Fish and Wildlife Service is required to obligate only those Duck Stamp Fund receipts which are available and that failure to obligate funds sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) does not require reduction in the price of the Stamp. Under current law, 100 percent of the Duck Stamp receipts and Wetlands

Loan Act appropriations from a given year must be obligated by February 1 of the following year. Otherwise, the price of the Duck Stamp reverts to $5.00 from its current price of $7.50.

Concern has been raised that the sequestration of some funds in the Migratory Bird Conservation Fund under the Gramm-Rudman-Hollings law could be characterized as a failure to obligate all available funds for that year and thereby require a reduction in the price of the Stamp. Consequently, section 3 of H.R. 4531 clarifies the language of the Duck Stamp Act to leave no doubt that the Fish and Wildlife Service is required to obligate only those funds which are available and that failure to obligate sequestered funds does not require such a price reduction. Funds in the Migratory Bird Conservation Fund which are sequestered in any given fiscal year become available for obligation in subsequent fiscal years.

HEARINGS

No hearings were conducted on H.R. 4531. The Subcommittee on Environmental Pollution conducted a hearing on legislation (S. 740) concerning similar issues on November 18, 1985.

ROLLCALL VOTES

Section 7(b) of rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works require that any rollcall votes taken during consideration of this bill be announced in this report.

The bill was ordered reported on September 16, 1986, by a voice vote.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that a statement of the cost of the reported bill, prepared by the Congressional Budget Office, be included in the report.

The Congressional Budget Office prepared a statement on the cost of this legislation for inclusion in the House report; since the Committee on Environment and Public Works did not amend H.R. 4531, the statement prepared for the House also appears here.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 30, 1986.

Hon. WALTER B. JONES,
Chairman, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 4531, a bill to extend the Wetlands Loan Act, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

1. Bill number: H.R. 4531.

2. Bill title: A bill to extend the Wetlands Loan Act, and for other purposes.

3. Bill status: As ordered reported by the House Committee on Merchant Marine and Fisheries, May 14, 1986.

4. Bill purpose; H.R. 4531 would extend through fiscal year 1988 the authorization for appropriations to the Migratory Bird Conservation account. The cumulative ceiling for such appropriations, which are treated as advances from the general treasury, would remain unchanged at $200 million. The bill would postpone until October 1, 1988 the date on which the fund must begin repaying the advances, even if the $200 million ceiling is reached before then.

Section 2 of the bill would amend title III of Public Law 98–548, an Act to extend the Wetlands Loan Act, relating to the establishment of the Atchafalaya National Wildlife Refuge. Under current law, the authorization for land acquisition at Atchafalaya is limited to funds provided in a fiscal year 1984 supplemental appropriations act (Public Law 98–396). H.R. 4531 would remove this limitation by authorizing the Secretary to acquire lands at Atchafalaya with any funds appropriated for that purpose.

Finally, section 3 of H.R. 4531 would clarify provisions of existing law relating to the price charged for Federal duck stamps.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990
Requiring appropriation action:					
Estimated authorization level	2.4	11.0			
Estimated outlays	2.4	11.0			
Direct spending:					
Estimated Budget Authority		10.9	10.9		
Estimated outlays		10.9	10.9		

The costs of this bill fall within budget function 300.

Basis of estimate. To date, $189 million of the $200 million authorized for advances has been appropriated to the Migratory Bird Conservation account. For purposes of this estimate, CBO has assumed that H.R. 4531 will be enacted by July 1, 1986 and that the remaining $11 million will be appropriated for fiscal year 1987. In addition, the postponement of advance repayments until October 1, 1988 will enable the U.S. Fish and Widlife Service to spend all net duck stamp revenues for two more years, rather than turning over 75 percent of these to the Treasury beginning October 1, 1986, as required by current law. This will result in additional annual budget authority and outlays of $10.9 million for fiscal years 1987 and 1988. Outlays from funds appropriated as advances and from budget authority derived from delaying repayment of the advances have been estimated on the basis of historical spending patterns and information obtained from the Department of the Interior.

Section 2 of the bill would authorize the Department of the Interior to acquire lands for the Atchafalaya National Wildlife Refuge with any funds provided in appropriation acts. This provision effectively authorizes the appopriation of such sums as may be necessary for land acquisition in the refuge. To date $10 million has been appropriated for this purpose. Based on information from the Department of the Interior, CBO estimates that an additional appropriation of $2.4 million would be sufficient to acquire the ncessary lands. For purposes of this estimate, CBO has assumed that the additional funds will be appropriated for fiscal year 1986. The associated outlays have been estimated on the basis of information obtained from the Department of the Interior.

Section 3 would make certain technical corrections to current law relating to the prices charged for duck stamps. We expect this section to have no impact on the federal budget.

6. Estimated cost to State and local Governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Deb Reis.

10. Estimate approved by Robert A. Sunshine for James L. Blum, Assistant Director for Budget Analysis.

DEPARTMENTAL REPORTS

No Departmental Reports on H.R. 4531 were received by the Committee on Environment and Public Works.

REGULATORY IMPACT

Section 11(b) of rule XXVI of the Standing Rules of the Senate require the Committee to evaluate the regulatory impact of the reported bill.

It is not anticipated that this bill will impose any significant new regulatory burden.

CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirements of subsection (12) of rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.

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